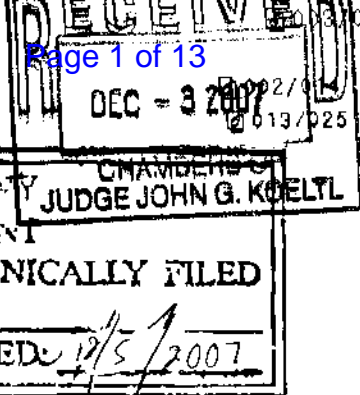


09/25/2007 19:11 FAX 212 805 7912
08/21/2007 11:55 FAX 2128088006

STROOCK & STROOCK



**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

CALPINE CORPORATION, et al.

Debtors.

ARISTEIA CAPITAL, L.L.C.,
AURELIUS CAPITAL MANAGEMENT, LP,
DRAWBRIDGE SPECIAL OPPORTUNITIES
ADVISORS LLC, ORE HILL HUB FUND LTD.,
NISSWA MASTER FUND LTD., PINES EDGE
VALUE INVESTORS LTD., PINES EDGE
VALUE INVESTORS L.P., SILVER SANDS
FUND LLC, STARK MASTER FUND LTD.
AND JV CAPITAL MANAGEMENT, LLC

Appellants,

-against-

CALPINE CORPORATION AND ITS
AFFILIATED DEBTORS AND DEBTORS
IN POSSESSION, OFFICIAL COMMITTEE
OF UNSECURED CREDITORS OF
CALPINE CORPORATION, OFFICIAL
COMMITTEE OF EQUITY SECURITY
HOLDERS,

Appellees.

BRENCOURT CREDIT OPPORTUNITIES
MASTER, LTD., BRENCOURT MULTI-
STRATEGY ENHANCED DEDICATED
FUND, LP, DILLON READ U.S. FINANCE
L.P., DILLON READ FINANCIAL PRODUCTS
TRADING LTD., LINDEN CAPITAL L.P.
AND ORE HILL HUB FUND, LTD.

Appellants,

-against-

Chapter 11
Case No. 05-60200 (BRL)

Case No. 1:07-cv-07830-UA

Related To Case No. M-47 (JGK)

Case No. 1:07-cv-07831-UA

Related To Case No. M-47 (JGK)

08/25/2007 19:11 FAX 212 805 7912

003/014

09/21/2007 11:55 FAX 212 808 8008

STROOCK & STROOCK

016/026

CALPINE CORPORATION AND ITS
AFFILIATED DEBTORS AND DEBTORS IN
POSSESSION, OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF CALPINE
CORPORATION, OFFICIAL COMMITTEE
OF EQUITY SECURITY HOLDERS,

Appellees.

MANUFACTURERS & TRADERS TRUST
AS INDENTURE TRUSTEE FOR THE 7.75%
CONVERTIBLE NOTES DUE 2015

Appellants,

-against-

CALPINE CORPORATION AND ITS
AFFILIATED DEBTORS AND DEBTORS
IN POSSESSION, OFFICIAL COMMITTEE
OF UNSECURED CREDITORS OF
CALPINE CORPORATION, OFFICIAL
COMMITTEE OF EQUITY SECURITY
HOLDERS,

Appellees.

HSBC BANK USA, N.A., AS INDENTURE
TRUSTEE FOR THE 6% CONVERTIBLE
NOTES DUE 2014 AND THE 4.75%
CONVERTIBLE NOTES DUE 2023

Appellants,

-against-

CALPINE CORPORATION AND ITS
AFFILIATED DEBTORS AND DEBTORS
IN POSSESSION, OFFICIAL COMMITTEE
OF UNSECURED CREDITORS OF
CALPINE CORPORATION, OFFICIAL
COMMITTEE OF EQUITY SECURITY
HOLDERS,

Appellees.

Case No. 1:07-cv-07832-UA

Related To Case No. M-47 (JGK)

Case No. 1:07-cv-07867-UA

Related To Case No. M-47 (JGK)

09/25/2007 19:12 FAX 212 805 7912
09/21/2007 11:55 FAX 212 806 6006

STROOCK & STROOCK

004/014
015/025

**STIPULATION AND CONSENT ORDER CONSOLIDATING APPEALS AND
AMENDING ORDER REGARDING EXPEDITED APPEAL**

WHEREAS, on August 14, 2007, the 6% Convertible Noteholders¹ and the 7.75% Convertible Noteholders² each filed a Notice of Appeal of the Order Granting Debtors' Limited Objection to Convertible Noteholder Claim Nos. 2404, 2821, 2823, 6247, 6249, 6280, 6299 and 6300 (the "Order") [Docket Nos. 5614 and 5616] (the "Noteholder Appeals");

WHEREAS, on August 15, 2007, HSBC Bank USA, N.A., in its capacity as successor Indenture Trustee for the 6% Convertible Notes due 2014 and the 4.75% Contingent Convertible Notes due 2023 ("HSBC"), also filed a Notice of Appeal of the Order [Docket No. 5637] (the "HSBC Appeal");

WHEREAS, on August 16, 2007, Manufacturers & Traders Trust Company, in its capacity as successor Indenture Trustee for the 7.75% Convertible Notes due 2015 issued by Calpine Corporation ("MT&T"), filed a Notice of Appeal of the Order [Docket No. 5643] (the "MT&T Appeal," and together with the Noteholder Appeals and the HSBC Appeal, the "Appeals");

WHEREAS, on August 16, 2007, the 6% Convertible Noteholders filed an emergency motion (the "Emergency Motion") seeking expedited consideration of their appeal from the Order;

¹ The 6% Convertible Noteholders include: Aristos Capital, L.L.C., Aurelius Capital Management, LP, Drawbridge Special Opportunities Advisors LLC, Ore Hill Hub Fund Ltd., Nussan Master Fund Ltd., Pines Edge Value Investors Ltd., Pines Edge Value Investors L.P., Silver Sands Fund LLC, Stark Master Fund Ltd. and 3V Capital Management, LLC.

² The 7.75% Convertible Noteholders include: Brancourt Credit Opportunities Master, Ltd., Brancourt Multi-Strategy Enhanced Dedicated Fund, LP, Dillon Read U.S. Finance L.P., Dillon Read Financial Products Trading Ltd., Linden Capital L.P. and Ore Hill Hub Fund, Ltd., as the holders and/or investment advisors to certain holders of certain of the 7.75% Contingent Convertible Notes due 2015.

09/25/2007 19:12 FAX 212 905 7912
09/21/2007 11:55 FAX 212 905 8006

STROOCK & STROOCK

005/014
015/025

WHEREAS, on August 20, 2007, HSBC filed its Joinder in and Memorandum of Law in Support of Emergency Motion by the 6% Convertible Noteholders for Expedited Appeal and for Consolidation of Related Appeals;

WHEREAS, on August 21, 2007, the 7.75% Convertible Noteholders filed their Joinder of the 7.75% Convertible Noteholders in the Emergency Motion by the 6% Convertible Noteholders for Expedited Appeal;

WHEREAS, on August 22, 2007, this Court heard oral argument from the parties and granted the Emergency Motion;

WHEREAS, on August 22, 2007, this Court issued its Order, pursuant to Bankruptcy Rule 8019, granting the Emergency Motion by the 6% Convertible Noteholders for Expedited Appeal ("Expedited Appeal Order");

WHEREAS, (i) appellants the 6% Convertible Noteholders, the 7.75% Convertible Noteholders, HSBC, and MT&T (collectively, the "Appellants") and (ii) appellees Calpine Corporation and its affiliated debtors and debtors in possession, the Official Committee of Unsecured Creditors of Calpine Corporation et al., and the Official Committee of Equity Security Holders (collectively, the "Appellees") have consensually agreed to a consolidation of the Appeals, revision of the caption, and an amendment to the Expedited Appeal Order.

NOW, THEREFORE, it is hereby STIPULATED AND AGREED by and between the undersigned counsel for the respective parties, and, upon approval of the Court, shall be deemed ORDERED, as follows:

1. Each of the Appeals shall be consolidated for procedural purposes.

03/25/2007 19:12 FAX 212 805 7912

006/014

08/21/2007 11:55 FAX 2128066006

STROOCK & STROOCK

017/025

2. The Expedited Appeal Order is hereby entered in and applies to all of the Appeals.

3. Upon transmission of the record from the Bankruptcy Court for the Appeals, the Clerk of this Court shall maintain one file and one docket for all of the Appeals, which file and docket shall be assigned Case No. 07 CV. 7830

4. The caption for the consolidated Appeals shall be as follows:

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

CALPINE CORPORATION, et al.

Debtors.

Chapter 11
Case No. 05-60200 (BRL)

ARISTEIA CAPITAL, L.L.C.,
AURELIUS CAPITAL MANAGEMENT, L.P.,
DRAWBRIDGE SPECIAL OPPORTUNITIES
ADVISORS LLC, ORE HILL HUB FUND LTD.,
NISSWA MASTER FUND LTD., PINES EDGE
VALUE INVESTORS LTD., PINES EDGE
VALUE INVESTORS L.P., SILVER SANDS
FUND LLC, STARK MASTER FUND LTD.,
3V CAPITAL MANAGEMENT, LLC,
BRENCOURT CREDIT OPPORTUNITIES
MASTER, LTD., BRENCOURT MULTI-
STRATEGY ENHANCED DEDICATED
FUND, LP, DILLON READ U.S. FINANCE
L.P., DILLON READ FINANCIAL PRODUCTS
TRADING LTD., LINDEN CAPITAL L.P.
AND ORE HILL HUB FUND, LTD, HSBC BANK
USA, N.A., AS INDENTURE TRUSTEE FOR
THE 6% CONVERTIBLE NOTES DUE 2014
AND THE 4.75% CONTINGENT
CONVERTIBLE NOTES DUE 2023, AND
MANUFACTURERS & TRADERS TRUST
COMPANY, AS INDENTURE TRUSTEE FOR THE
7.75% CONVERTIBLE NOTES,

Appellants,

-against-

Civil Case No. 07 CV. 7830 (JGK)

08/25/2007 19:12 FAX 212 805 7912

007/014

08/21/2007 11:55 FAX 212 808 8008

STROOCK & STROOCK

018/025

CALPINE CORPORATION AND ITS
AFFILIATED DEBTORS AND DEBTORS
IN POSSESSION, OFFICIAL COMMITTEE
OF UNSECURED CREDITORS OF
CALPINE CORPORATION, OFFICIAL
COMMITTEE OF EQUITY SECURITY
HOLDERS,

Appellcos.

5. The Expedited Appeal Order is amended solely as provided in this Paragraph 5 such that paragraph (b) of the Expedited Appeal Order shall read: "The Record on Appeal shall be deemed transmitted to this Court on August 31, 2007."

[Remainder of Page Intentionally Left Blank]

09/25/2007 18:13 FAX 212 805 7912
09/21/2007 11:55 FAX 2128066006

STROOCK & STROOCK

008/014
019/025

Dated: New York, New York
August 24, 2007

By:

Erez E. Gilad
STROOCK & STROOCK & LAVAN LLP
Kristopher M. Hansen (KH-6957)
Erez E. Gilad (EG-7601)
180 Maiden Lane
New York, New York 10038
Telephone: (212) 806-5400
Facsimile: (212) 806-6006

Counsel to the 7.75% Noteholders

By:

MILBANK TWEED HADLEY &
MCCLOY
Dennis F. Dunne (DD-7543)
Matthew S. Barr (MB-9170)
Andrew M. Leblanc (*pro hac vice*)
One Chase Manhattan Plaza
New York, New York 10005
Telephone: (212) 530-5000
Facsimile: (212) 530-5219

Counsel to the 6% Noteholders

By:

KIRKLAND & ELLIS LLP
Richard M. Cieri (RC-6062)
Edward O. Sassower (ES-5823)
Marc Kieselstein (*pro hac vice*)
Stephen E. Hessler (*pro hac vice*)
M. Catherine Peshkin (MP 5400)
Citigroup Center
153 East 53rd Street
New York, New York 10022
Telephone: (212) 446-4800

Counsel for the Debtors

By:

AKIN GUMP STRAUSS HAUSER &
FELD LLP
Michael S. Starnes (MS-4900)
Lisa G. Beckerman (LB-9655)
590 Madison Avenue
New York, New York 10022
Telephone: (212) 872-1000
Facsimile: (212) 872-1002

Counsel to the Official Committee of
Unsecured Creditors*So ordered.**[Signature]**U.S.D.J.**9/21/07*

09/25/2007 19:13 FAX 212 805 7912
09/21/2007 11:55 FAX 212 806 6006

STROOCK & STROOCK

009/014
020/025


Dated: New York, New York
August 24, 2007

By:

STROOCK & STROOCK & LAVAN LLP
Kristopher M. Hansen (KH-6957)
Erez E. Gilad (EG-7601)
180 Maiden Lane
New York, New York 10038
Telephone: (212) 806-5400
Facsimile: (212) 806-6006

Counsel to the 7.75% Noteholders

By:


MILBANK TWEED HADLEY &
MCCLOY
Dennis F. Dunne (DD-7543)
Matthew S. Barr (MB-9170)
Andrew M. Leblanc (*pro hac vice*)
One Chase Manhattan Plaza
New York, New York 10005
Telephone: (212) 530-5000
Facsimile: (212) 530-5219

Counsel to the 6% Noteholders

By:

KIRKLAND & ELLIS LLP
Richard M. Cieri (RC-6062)
Edward O. Sassower (ES-5823)
Marc Kieselstein (*pro hac vice*)
Stephen E. Hessler (*pro hac vice*)
M. Catherine Peshkin (MP 5400)
Citigroup Center
153 East 53rd Street
New York, New York 10022
Telephone: (212) 446-4800

Counsel for the Debtors

By:

AKIN GUMP STRAUSS HAUSER &
FELD LLP
Michael S. Starnes (MS-4900)
Lisa G. Beckerman (LB-9655)
590 Madison Avenue
New York, New York 10022
Telephone: (212) 872-1000
Facsimile: (212) 872-1002

Counsel to the Official Committee of
Unsecured Creditors

09/25/2007 19:19 FAX 212 805 7912

010/014

08/21/2007 11:55 FAX 2128066006

STROOCK & STROOCK

021/025

Dated: New York, New York
August 24, 2007

By:

STROOCK & STROOCK & LAVAN LLP
Kristopher M. Hansen (KH-6957)
Erez E. Gilad (EG-7601)
180 Maiden Lane
New York, New York 10038
Telephone: (212) 806-5400
Facsimile: (212) 806-6006


Counsel to the 7.75% Noteholders

By:

MILBANK TWEED HADLEY &
MCCLOY
Dennis F. Dunne (DD-7543)
Matthew S. Barr (MB-9170)
Andrew M. Leblanc (*pro hac vice*)
One Chase Manhattan Plaza
New York, New York 10005
Telephone: (212) 530-5000
Facsimile: (212) 530-5219

Counsel to the 6% Noteholders

By:


KIRKLAND & ELLIS LLP
Richard M. Cieri (RC-6062)
Edward O. Saksower (ES-5823)
Mara Kleselsman (*pro hac vice*)
Stephen E. Heseler (*pro hac vice*)
M. Catherine Peshkin (MP 5400)
Citigroup Center
153 East 53rd Street
New York, New York 10022
Telephone: (212) 446-4800

Counsel for the Debtors

By:

AKIN GUMP STRAUSS HAUER &
FELD LLP
Michael S. Stamer (MS-4900)
Lisa G. Beckerman (LB-9655)
590 Madison Avenue
New York, New York 10022
Telephone: (212) 872-1000
Facsimile: (212) 872-1002

Counsel to the Official Committee of
Unsecured Creditors

08/25/2007 19:13 FAX 212 805 7912
08/21/2007 11:58 FAX 2128066008

STROOCK & STROOCK

011/014
022/025

Dated: New York, New York
August 24, 2007

By:

STROOCK & STROOCK & LAVAN LLP
Kristopher M. Hansen (KH-6957)
Erez E. Gilad (EG-7601)
180 Maiden Lane
New York, New York 10038
Telephone: (212) 806-5400
Facsimile: (212) 806-6006

Counsel to the 7.75% Notcholders

By:

MILBANK TWEED HADLEY &
MCCLOY
Dennis F. Dunne (DD-7543)
Matthew S. Barr (MB-9170)
Andrew M. Leblanc (*pro hac vice*)
One Chase Manhattan Plaza
New York, New York 10005
Telephone: (212) 530-5000
Facsimile: (212) 530-5219


Counsel to the 6% Notcholders

By:

KIRKLAND & ELLIS LLP
Richard M. Cieri (RC-6062)
Edward O. Sassower (ES-5823)
Marc Kieselstein (*pro hac vice*)
Stephen E. Hessler (*pro hac vice*)
M. Catherine Pashkin (MP 5400)
Citigroup Center
153 East 53rd Street
New York, New York 10022
Telephone: (212) 446-4800

Counsel for the Debtors

By:


AKIN GUMP STRAUSS HAUER &
FELD LLP
Michael S. Stamer (MS-4900)
Lisa G. Beckerman (LB-9655)
590 Madison Avenue
New York, New York 10022
Telephone: (212) 872-1000
Facsimile: (212) 872-1002


Counsel to the Official Committee of
Unsecured Creditors

08/25/2007 19:13 FAX 212 805 7912
09/21/2007 11:58 FAX 2128066008


STROCK & STROCK

012/014


023/025

By: 
FRIED, FRANK, HARRIS, SHRIVER &
JACOBSEN LLP
Brad Eric Scheler
Gary Kaplan
Michael B. de Leeuw
One New York Plaza
New York, New York 10004
Telephone: (212) 859-8000
Facsimile: (212) 859-4000

Counsel to the Official Committee of
Equity Security Holders

By: 
KELLEY DYE & WARREN LLP
Sarah L. Reid (SR-4603)
David E. Ratter (DR-4014)
101 Park Avenue
New York, New York 10178
Telephone: (212) 808-7800
Facsimile: (212) 808-7897

Counsel to HSBC Bank USA, N.A., as
successor Indenture Trustee for the 6% and
4.75% Convertible Notes

By: 
YOUNG CONAWAY STARGATT &
TAYLOR, LLP
Ian S. Fredericks (IF-3355)
The Brandywine Building
1000 West Street, 17th Floor
P.O. Box 391
Wilmington, Delaware 19899
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

Counsel to Manufacturers & Traders Trust
Company, as successor Indenture Trustee
for the 7.75% Convertible Notes

09/25/2007 18:14 FAX 212 805 7812

09/21/2007 11:58 FAX 2128088008

STROOCK & STROOCK

013/014

024/025

By:

FRIED, FRANK, HARRIS, SHRIVER &
JACOBSEN LLP
Brad Eric Scheler
Gary Kaplan
Michael B. de Leeuw
One New York Plaza
New York, New York 10004
Telephone: (212) 859-8000
Facsimile: (212) 859-4000

Counsel to the Official Committee of
Equity Security Holders

By:

Sarah L. Reid
KELLEY DRYE & WARREN LLP
Sarah L. Reid (SR-4603)
David E. Retter (DR-4014)
101 Park Avenue
New York, New York 10178
Telephone: (212) 808-7800
Facsimile: (212) 808-7897

Counsel to HSBC Bank USA, N.A., as
successor Indenture Trustee for the 6% and
4.75% Convertible Notes

By:

YOUNG CONAWAY STARGATT &
TAYLOR, LLP
Ian S. Fredericks (IF-3355)
The Brandywine Building
1000 West Street, 17th Floor
P.O. Box 391
Wilmington, Delaware 19899
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

Counsel to Manufacturers & Traders Trust
Company, as successor Indenture Trustee
for the 7.75% Convertible Notes

09/25/2007 19:14 FAX 212 805 7912
09/21/2007 11:58 FAX 2128086006

STROOCK & STROOCK

014/014

025/025

By:

FRIED, FRANK, HARRIS, SHRIVER &
JACOBSEN LLP
Brad Eric Scheler
Gary Kaplan
Michael B. de Leeuw
One New York Plaza
New York, New York 10004
Telephone: (212) 859-8000
Facsimile: (212) 859-4000

Counsel to the Official Committee of
Equity Security Holders

By:

YOUNG CONAWAY STARGATT &
TAYLOR, LLP
Ian B. Fredericks (*pro hac vice*)
The Brandywine Building
1000 West Street, 17th Floor
P.O. Box 391
Wilmington, Delaware 19899
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

Counsel to Manufacturers & Traders Trust
Company, as successor Indenture Trustee
for the 7.75% Convertible Notes

By:

KELLEY DRYE & WARREN LLP
Sarah L. Reid (SR-4603)
David E. Retter (DR-4014)
101 Park Avenue
New York, New York 10178
Telephone: (212) 808-7800
Facsimile: (212) 808-7897

Counsel to HSBC Bank USA, N.A., as
successor Indenture Trustee for the 6% and
4.75% Convertible Notes